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USDOC FOR 532/OEA/LHINES/DFARROW
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR WILLIAM
ZARIT
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

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E.O. 12958: N/A
TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)
SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK: HANG TAT
ELECHANG TAT ENTERPRISES CO

REF: A) USDOC 02122

1.Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO), accompanied by Commercial Assistant, Sandy Lai, conducted a pre-license check (PLC) at Hang Tat Electronic Enterprises Co., Room 2608, Technology Plaza, 29-35 Sha Tsui Road, Tsuen Wan, Hong Kong (Hang Tat). The items in question are nine CMOS 8-Bit microcomputer/microcontrollers valued at USD 405. The export control classification number (ECCN) for these items is 3A001. According to Reftel A, these items are controlled for nuclear nonproliferation (NP) and national security (NS) reasons and require a license for export to Hong Kong. The license applicant is Falcon Electronics, Inc. of Commack, New York.

13. According to the Hong Kong Inland Revenue Department Business Registration Office, Hang Tat has been in existence since 1991. The company is a sole proprietorship (as a result, it is not listed in the Hong Kong Companies Registry). Hong Kong identity holder Sau Luen Chan is listed as owner. A Hong Kong Trade Development Council profile of Hang Tat lists Mr. Cho-Man Wong as manager. It states that Hang Tat is a trading company specializing in electronics trade.

14. The ECO, accompanied by Commercial Assistant Sandy Lai, visited Hang Tat at the address referenced above on March 29, 2007 and met with a Mr. Wong. The meeting had taken some time to schedule as Mr. Wong claimed, for two weeks, to be tracking down the name of the end-user and the projected end-use of the items. Mr. Wong stated that Hang Tat is a trading company with a long history of operations in Hong Kong. Hang Tat's business model consists of sourcing electronic components for mainland Chinese trading companies. When asked for background on typical end-users for his items, Mr. Wong stated that because he receives so many orders, he cannot verify end-uses or end-users for every order. When asked again, in more general terms, about the eventual end-users of Hang Tat's products, Mr. Wong demurred.

¶5. When asked for a business card, Mr. Wong stated that the office of the company had recently moved and he was in the process of obtaining new business cards. When asked for a business card listing the old address, Mr. Wong stated that he had thrown them all away. Mr. Wong stated that Hang Tat did not have any company brochure or other marketing information to provide to the ECO.

¶6. Mr. Wong stated that when U.S. vendors or Hong Kong agents for suppliers request end-use or end-user information, he provides it. At the same time, he stressed that his trading company customers in mainland China have close relationships with manufacturers and are not willing to disclose proprietary information about potential customers. Even when mainland Chinese trading companies provide end-use/end-user information, Mr. Wong stated that he cannot vouch for the accuracy of such information.

¶7. As to the transaction that is the basis for the license application, Mr. Wong stated that he had no purchase order or related documentation. He stated that the buyer is a regular customer but Hang Tat does not have a purchase order, as yet. Mr. Wong pointed to a page of an Intel Purchase catalog (dated 1996-1997) to indicate the type of items he had ordered (Intel 12 MHZ-MIL-STD 833). He stated that his customer believes Atmel now manufactures the items (www.Atmel.com).

¶8. When asked for the name of Hang Tat's customer, Mr. Wong declined to provide it, stating that this is confidential information. The ECO stressed that all

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information would be held in confidence and further that it would prove difficult to approve an export

license without more information on the end-user/end-use. Mr. Wong stated that it is not uncommon for his orders to be cancelled because his buyers are unwilling to provide further background on the end-use and end-user. He eventually stated that the items would be used as part of a mud logging unit in oil exploration and drilling. This information is inconsistent with the stated end-use noted in reftel

¶A.

¶9. At the conclusion of the meeting, Mr. Wong stressed that Hang Tat complies with Hong Kong export control regulations and conducts his business in full compliance with applicable laws. He also stressed that he is familiar with Hong Kong export control rules and with TID (the entity that implements Hong Kong's export control system). The ECO provided information on U.S. reexport controls (BIS publication 'Guidance on the Department of Commerce's Reexport Controls').

¶10. Mr. Wong provided only cursory information about Hang Tat and the eventual end-use of the items. He provided no information about the eventual end-user of the items or the intermediate buyer in mainland China. The ECO recommends that this PLC of Hang Tat be considered Unfavorable.
Cunningham